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SUMMARY OF TRADE AND TARIFF INFORMATION

Prepared in Terms of the Tariff Schedules of the United States

RAW COTTON

TSUS Items 300.10-300.20

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F O R E W O R D

Each Summary of Trade and Tariff Information is part of a series published by the United States International Trade Commission to provide information on conditions of competition between domestic and foreign products. This report, generally covering the period 1974 through 1979, represents one of many being published in the current series of summaries.

This series provides comprehensive coverage of product uses, the domestic industry, U.S. consumption, production, and trade, and the domestic and international markets in each commodity area. The summaries are cast in terms of the eight schedules of the Tariff Schedules of the United States (TSUS).

The current series will consist of approximately 600 individual reports. The Commission will issue updated statistical tables and industry status reports as appropriate for individual summaries. The overall program will run several years, ultimately covering all items of the TSUS.

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Executive Summary

This summary covers all types of cotton, and is primarily concerned with cotton which has not been processed other than being ginned. Processed fibers, yarns, thread, fabrics, and articles of cotton will be covered in other summaries.

The two main types of cotton grown in the United States are Upland and American Pima. Upland cotton accounts for approximately 99 percent of production. The primary difference between the two types is in length and fineness with Upland fibers being shorter and less fine.

Approximately 85 percent of mill consumption of cotton is used to produce fabrics either wholly of cotton or cotton blended with other fibers. The balance is used for such items as thread, floor coverings, or specialty yarns; some very low-grade cotton is used in stuffing and batting. In 1979, apparel accounted for 53 percent of cotton consumption, home furnishings for 33 percent, and industrial uses for 14 percent.

Imports of most types of cotton are subject to quantitative quota restraints, which are equal to approximately 1 percent of domestic production. As domestic cotton is of high quality and price competitive with imports, the quotas have not been fully used in recent years.

Cotton is grown on approximately 90,000 farms throughout the Cotton Belt which stretches across the southern portion of the country from Virginia to California. Sixty percent of the cotton acreage is in the Southwest, primarily in Texas, 18 percent is in the West, and 23 percent is in the Delta and Southeast.

The marketing of cotton is a complex process involving ginning, warehousing, classing, and transporting, as well as buying and selling by growers, merchants, brokers, co-ops, and agents or mills. Widely fluctuating prices are counterbalanced by buyers and sellers through a process called hedging which involves trading in the futures market.

Cotton competes with other fibers, particularly manmade fibers, according to price, availability, inherent characteristics, and consumer preference. In 1979, cotton accounted for approximately 25 percent of domestic mill consumption of the primary textile fibers.

U.S. mill consumption of cotton declined steadily from 1960 to 1975, as it was replaced by manmade fibers. Between 1975 and 1979, though cotton's share of fibers consumed continued to decline, the actual quantity used was fairly stable. Though environmental protection and worker health and safety regulations may have some adverse effect on domestic use of cotton, consumption is expected to remain near the current level. Growth in the market for U.S. cotton will thus be dependent on demand for exports.

In the years 1970-79, the United States produced a yearly average of 11.8 million 480-pound bales. During these 10 years, average domestic mill consumption accounted for 54 percent of offtake (consumption plus exports), accounting for 6.5 million bales in 1979.

In recent years the United States has produced nearly 20 percent of the world supply of cotton and has provided approximately 30 percent of world exports. The Far East is the major cotton importing region of the world and is the principal destination of U.S. cotton exports. As U.S. mill consumption of cotton is expected to remain stable, any growth in the market for U.S. cotton will be dependent on increased exports.

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Description and Uses

Commodity	TSUS item No.
Cotton, having a staple length under 1-1/8 inches	300.10
Cotton having a staple length 1-1/8 inches or more, but under 1-11/16 inches	300.15
Cotton having a staple length 1-11/16 inches or more	300.20

Note.--For the statutory description, see excerpt from the Tariff Schedules of the United States Annotated (1980) in app. A. A concordance of the TSUS items included in this summary with related categories in other production, export, and import nomenclatures is found in app. B.

Despite the increasing use of manmade fibers, cotton is a leading textile fiber. In 1979, the slightly more than 3 billion pounds used accounted for 25 percent of total U.S. mill consumption of manmade fibers, cotton, and wool.

This summary is primarily about cotton which has not been processed other than being ginned (a process which partially cleans the cotton and separates the cotton lint, as the fibers are called, from the seed). Processed fibers, yarns, thread, fabrics, and articles of cotton will be covered in other summaries.

The main types of cotton grown and used in the United States are Upland and American Pima. Upland cotton usually measures from 13/16 to 1-1/8 inches in staple length and is characterized by medium fiber fineness and smoothness and medium to high tensile strength. American Pima cotton is mostly 1-3/8 to 1-1/2 inches in staple length and has fine, strong, silky fibers. Another type used to a small extent in the United States is a short (under 7/8 inch), coarse, rough, relatively weak type of cotton refered to as Asiatic cotton.

Cotton fibers are round, oval, or kidney shaped hollow fibers which twist irregularly along their length. The twists enable the fibers to cling together when being spun. The long fibers of American Pima cotton, while finer than Upland cotton, are highly twisted which enables them to be spun into the fine yarns and thread for which they are highly valued.

Cotton goes through several processing steps from the time it is picked until it is made into the fabrics which form the basis for most end uses. These steps are shown in figure 1.

In the ginning process some impurities are removed, the cotton lint and seed are separated, and the lint is tightly compressed into bales. The hoops and bagging are removed from the bale in the opening room of the mill and the cotton passes through a series of machines which loosen the fibers and further clean the cotton. In most modern mills these machines are in a continuous

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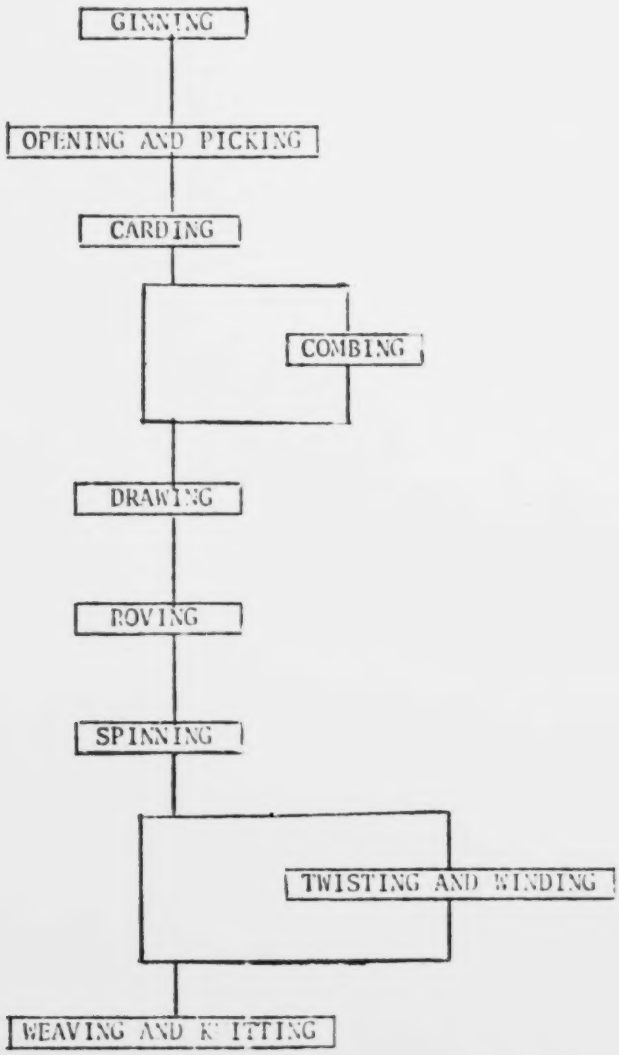
Figure 1.--Cotton: Steps of processing from field to fabric.



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series with the cotton moving through air tubes. The cotton emerges from this process in a loose, matted strip resembling the absorbent cotton used for medical purposes and is rolled into a tube-like package called a picker lap.

The picker lap goes to a card machine for further processing. In addition to removing fibers which are too short to be spun, the carding process further cleans the cotton and is the first step in bringing the fibers into parallel order. The carding is done by fine wire teeth attached to revolving cylinders. The fibers emerge from the card as a wide, thin web which is gathered into a soft strand about the size of a broomstick, known as card sliver.

If fine yarn or thread is to be produced, the card sliver is subjected to a process called combing. In this process the fibers pass through rollers, blades and metal teeth which remove short fibers and any remaining foreign matter and further orient the fibers in a parallel manner. After combing the fibers are again formed into sliver.

After carding or combing, the sliver is drawn. In this process six or eight slivers are combined then drawn through a series of rollers and reduced to the approximate diameter of one of the initial slivers. This process is repeated two or three times to impart uniformity to the product and make the fibers more parallel.

From the drawing frame, the sliver is transferred to the roving frame where it is further drawn to the approximate size of a wood pencil, given a slight twist, and wound onto a bobbin. The spinning process, which is the next step, stretches the roving into a fine yarn and twists it to give it strength, then winds the yarn onto a bobbin.

For some uses, plied yarn, which is made by twisting two or more single yarns together, is needed. This is done as a separate process after spinning. Two or more plied yarns may be twisted together to form cord. The plied yarn is wound in the form best suited for its next processing or use. Although the yarn may undergo chemical treatment or dyeing at this stage, it is essentially ready to be woven or knit into cloth.

Fabrics made from cotton are characterized by easy dyeability, high absorbency, durability, launderability, pliability, and heat resistance. Though inelastic and low in resilience, cotton fabrics can be treated to give them wrinkle and crease resistance and elasticity. Cotton fabrics can also be given finishes to make them resist shrinkage, repel water, and retard flame.

Textile use is usually divided into three types: apparel, home furnishings, and industrial. In 1979, apparel accounted for 53 percent of cotton consumption, home furnishings for 33 percent, and industrial uses for 14 percent. The various end uses of cotton require cotton of different qualities and characteristics. The quality of cotton is determined from samples drawn from each bale. Grades are differentiated by strict standards established by the Department of Agriculture and represent the amount of foreign matter in and the physical condition of the cotton after ginning. Grades of Upland cotton are designated by terms such as middling, strict low

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middling, low middling plus, strict good ordinary. The color is indicated by terms including white, light spotted, tinged, yellow stained, or grey. American Pima cotton is graded by the same standards but grades are designated as AP and the numbers 1-10.

The length of cotton is determined by pulling a tuft from the sample in a manner prescribed by the Department of Agriculture and measuring the length of the fibers. Lengths are given in intervals of 1/32 inch. Cotton is divided into four groupings according to length as follows:

Very short cotton -- not over 3/4 inch
Short-staple cotton -- 13/16 but less than 1-1/8 inches
Ordinary long-staple cotton (OLS) -- 1-1/8 but less than 1-3/8 inches
Extra-long-staple cotton (ELS) -- 1-3/8 inches and longer

Very short cotton, which accounts for 6 to 8 percent of annual U.S. mill consumption of cotton, is usually too short to be spun and is generally used in batting and wadding for items such as shoulder pads, surgical sponges, hygiene products, and upholstery padding.

Short-staple cotton makes up 85 to 90 percent of mill cotton use. Most of this is carded and spun into yarns, which could be all cotton or blends of cotton and other fibers. Most short-staple cotton is used to make woven fabrics, though some coarser knit fabrics also use this type of cotton. The main woven fabrics made with short-staple cotton are duck, printcloth, denim, sheeting, twills, drills, sateens, toweling, and dishcloth fabrics. Some short-staple cotton is combed in addition to being carded before being spun, producing a finer yarn. These yarns are generally used to make poplins, broadcloth, and shirting fabrics.

Long-staple cotton is used to make combed yarns, which are in turn used in fine shirting and dress fabrics, percale sheeting, knit goods, hosiery, and sewing thread. Approximately 5 to 6 percent of cotton consumption is of this length fiber. Both OLS and ELS cotton can be used for these purposes. The main differences are that goods made of OLS cotton are less expensive due to the lower cost of the cotton and those of ELS cotton, while more expensive, can be finer, stronger, and, when finished, more lustrous.

Customs Treatment

U.S. customs treatment

The current rates of duty and the rates negotiated under the Multilateral Trade Negotiations (MTN), applicable to imports of raw cotton, are shown in the following table. Column 1 1/ rates of duty apply to imports from countries having most-favored-nation status, column 2 2/ rates of duty apply

1/ The rates of duty in rate of duty column numbered 1 are Most-Favored-Nation (MFN) rates, and are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

2/ The rates of duty in rate of duty column numbered 2 apply to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

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to countries so designated by the President which are under Communist domination. The negotiated rates will be in effect for entries on and after January 1, 1982. Cotton is not eligible for duty-free treatment under the Generalized System of Preferences.

Cotton: U.S. rates of duty, present and negotiated by TSUS item

TSUS item No.	Brief description	Rate of duty		
		Col. 1	Negotiated col. 1 rate 1/	Col. 2
	Cotton, not carded, not combed, and not similarly processed:			
300.10	Having a staple length under 1-1/8 inches.	Free	-	Free
300.15	Having a staple length 1-1/8 inches or more but under 1-11/16 inches.	3.5¢ per lb.	2¢ per lb.	7¢ per lb.
300.20	Having a staple length 1-11/16 inches or more.	1.75¢ per lb.	0.7¢ per lb.	7¢ per lb.

1/ Rate negotiated under the Tokyo round of the MTN, effective Jan. 1, 1982.

Short-staple cotton (item 300.10) has had duty-free status since it was provided for in the Tariff Act of 1930. The column 1 rate of duty for items 300.15 and 300.20 has not changed since 1951, the column 2 rate has been in effect since 1930. The portion of the Tariff Schedules of the United States Annotated (TSUSA) which provides for raw cotton is reproduced in appendix A.

Tariff treatment of related articles

Rates of duty for manmade fibers are generally higher than those for cotton. Imports of noncontinuous fibers, which are most directly competitive with cotton, are classified under TSUS item 309.43 for which the current column 1 rate of duty is 7.5 percent ad valorem. In contrast, the ad valorem equivalent of the rate of duty for imports of cotton in 1979 was 3 percent. As a result of the Tokyo round of the MTN, the column 1 rate of duty for noncontinuous manmade fibers will be reduced to 4.9 percent ad valorem in five annual stages beginning January 1, 1982, when the rate of duty will be 7.1 percent ad valorem. Imports from least developed developing countries (LDDC's) 1/ will be dutiable at 4.9 percent ad valorem beginning January 1,

1/ The rates of duty in rate of duty column "LDDC" are preferential rates (reflecting the full U.S. MTN concession rate for a particular item without staging) and are applicable to products of the least developed developing countries designated in general headnote 3(d) of the TSUS which are not granted duty-free treatment under the GSP. If no rate of duty is provided in the "LDDC" column for a particular item, the rate of duty provided in column numbered 1 applies.

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1982. Column 1 rates of duty for other manmade fibers range from 0.5 to 36.5 percent ad valorem equivalent. These rates will also be subject to staged reductions as a result of the Tokyo round of negotiations.

Nontariff barriers

All raw cotton, except harsh Asiatic cotton having a staple length under 3/4 inch (TSUSA item 300.1020), is subject to quantitative import quotas under the provisions of the Agricultural Adjustment Act. The portion of the appendix to the TSUS specifying the quota quantities is reproduced in appendix A. These quotas were established in 1939 to prevent imports from interfering with Government loan and acreage allotment programs. However, these programs have changed substantially in the intervening years and most domestic cotton is now of high quality and is price competitive with imports. Consequently, in recent years, the quota restraints, which have been equivalent to approximately 1 percent of domestic production, have been rarely filled.

For imports of raw cotton having a staple length under 1-1/8 inches (except the harsh cotton excluded from the quota), the total quantity limitation is 14,516,193 pounds or 30,242 480-pound bales for a 12-month period beginning September 20 in any year. This figure is divided into 19 specific "country quotas," 4 of which are aggregate quantities applicable to 2 or more nations.

OLS cotton (1-1/8 inches or more but under 1-3/8 inches) has a global quota limit of 6,065,642 pounds (12,637 bales) for a 12-month period beginning August 1 in any year. Of this amount, 1.5 million pounds is the global quota limitation for harsh or rough cotton having a staple length of 1-5/32 inches or more but less than 1-3/8 inches and 4,565,642 pounds is the quota for other OLS cotton.

Imports of ELS cotton (1-3/8 inches or more) are subject to an annual global quota of 39,590,778 pounds (82,481 bales) beginning August 1 in any year.

Foreign customs treatment

With the exception of the Republic of Korea (Korea), none of the major cotton importing countries have duty or other restrictions on imports of cotton. The 10 percent rate of duty assessed on cotton by Korea is waived for cotton which is imported for processing and consequently exported as textile goods. In as much as Korea is a major exporter of textiles and apparel, very little of the cotton imported is dutiable. Like the United States, many other nations which produce large quantities of cotton either prohibit or restrict imports of cotton to protect their domestic industry.

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The U.S. Industry

Cotton farms

Cotton is one of the leading cash crops grown in the United States. In recent years, it has accounted for approximately 4 percent of the value of all crops produced. Cotton is grown on approximately 90,000 farms in the Cotton Belt of the United States which stretches from Virginia to California. The Cotton Belt is divided into four principal regions containing States as follows:

Region	States
Southeast	Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama
Delta	Missouri, Arkansas, Tennessee, Mississippi, Louisiana, Illinois, and Kentucky
Southwest	Texas and Oklahoma
West	California, Arizona, New Mexico, and Nevada

In 1979, cotton was planted on nearly 14 million acres which accounted for 3.2 percent of total cropland in the United States. The Southwest had the largest acreage of cotton in 1979 with approximately 60 percent of the total (table 1, app. C). The West and Delta regions each had approximately 18 percent and the Southeast 5 percent of planted cotton acreage. Total planted cotton acreage has fluctuated erratically in the past 10 years ranging from 9.5 million acres in 1975 to 14.0 million acres in 1972, averaging 12.7 million acres. In 1977-79 acreage was above this average, ranging from 13.4 million acres in 1978 to 13.9 million acres in 1979. The most significant change in cotton production has been a shift from the Southeast and Delta regions to the Southwest and West. From 1970 to 1979, the percentage of total planted cotton acreage in the Southeast declined from 12.6 to 4.6 percent and in the Delta from 29.8 to 18.2 percent. At the same time, Southwest acreage increased from 48.4 to 59.7 percent and Western acreage from 9.2 to 17.5 percent of the national acreage. As shown in table 1, a corresponding shift in production occurred. Whereas the Southeast produced 11.5 percent of the national total in 1970, in 1979 4.4 percent of the total came from this region. In 1979 the Delta produced 20.9 percent of the total compared with 37.5 percent in 1970. In this same period, the percent of production in the Southwest increased from 33.4 to 41.4 percent and in the West from 17.6 to 33.3 percent.

Prime factors limiting areas where cotton can be grown are frost-free periods and average summer temperatures. Cotton requires approximately 200

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days between killing frosts and an average minimum summer temperature of 77 degrees fahrenheit. Rainfall and other climactic factors have some effect on determining where cotton is produced. Rainfall is particularly important in central Texas and Oklahoma where most cotton must be partially irrigated because of erratic rainfall. In areas of this region where irrigation is not available, cotton must compete with other crops less sensitive to climactic conditions. The risks of crop damage from hurricanes in eastern coastal areas and hail in the central plains areas of the Cotton Belt discourage many farmers from growing cotton in these areas.

The combined effects of topography and mechanization have had great influence on the cotton industry since 1949. Before then cotton was grown on small farms using mostly hand labor and animal-drawn machinery. Increased mechanization and use of fuel-powered machinery made two changes necessary in the cotton industry. To justify the costs of buying machinery, cotton farmers had to increase the size of their farms. Furthermore, fuel-powered machinery needs land which is flatter than that required by animal-drawn equipment. As a result, cotton farms became fewer in number, larger in size, and were usually located on flat or slightly sloped land. Much of this change has been recent. Bureau of the Census data show that the number of cotton farms dropped from 200,000 in 1969 to 90,000 in 1979. The shift in concentration of cotton acreage to the West and Southwest is largely a result of the availability of suitable land in those regions.

Marketing and distribution

Cotton goes through many intermediaries and processes from the farm to the mill or port for export. Seed cotton, the cotton which has just been harvested, first must go from the farm to the gin. Growers are generally responsible for transporting cotton to the gin. In some areas, particularly Texas and California, ginners provide this service.

Though the ginning process varies somewhat from region to region, the basic function of gins is the same. The main function of ginning is cleaning the cotton by removing trash, dirt, and other foreign matter, separating cotton lint from the seed, baling the ginned lint, and disposing of the cotton seed. Generally the cotton seed that is not returned to the grower for planting is purchased by the gin for sale to oil mills.

From the gin, cotton is transported to the warehouse or compress/warehouse except in the Southeast where a large portion of the cotton is shipped directly to textile mills from gins. Besides providing physical shelter and protection for cotton bales and, in some cases, compressing the bales to smaller size and greater density, warehouses provide services vital to the cotton marketing system.

After weighing and removing samples, a negotiable warehouse receipt is issued for each individual bale. This receipt is used in all official transactions and is used to transfer ownership of each bale of cotton. It

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shows the gin identification number; gross, tare, and net weight of the bale; bagging and band type; date received at the warehouse; producer's name; and warehouse manager's name and signature.

Warehouses assemble bales for shipping and load them onto the truck or railcar. They also will recondition damaged bales, reweigh and resample bales, and remove bales from storage and arrange them for inspection by the owner or prospective buyer.

Costs and charges for warehouse services vary from area to area according to the services provided and competition within the industry. Owing to the number of functions involved, these costs can have significant effect on the total marketing costs for cotton.

The samples taken from each bale of cotton at the gin or warehouse are usually sent to a Department of Agriculture classing office where each sample is classified according to the prescribed standards of grade, staple length, fineness, and maturity. The classification information is put on a classification card and returned to the gin, warehouse, grower, or other person authorized by the grower. Approximately 90 percent of the cotton grown in the United States is sold on the basis of the information on the classification card.

Prices

To facilitate awareness of market prices for cotton, the Department of Agriculture has designated certain locations as spot markets. Prices of cotton actually sold in these markets are reported by the Agricultural Marketing Service of the Department of Agriculture daily on a per pound basis. Prices of grades and lengths of cotton not quoted in the spot market reports are determined by adding or subtracting "points" (1/100 of a cent) from spot prices as appropriate with better grades and longer staple lengths commanding higher prices. Spot prices fluctuate greatly in a marketing year. During the 1979/80 marketing year, the spot price for strict low middling 1-1/16 inch cotton (the basis used for price quotations) varied from 62.08 cents in August, peaked at 80.66 cents in February and closed the season in July at 79.00 cents. The average price for the year was 71.48 cents. For the previous year prices averaged 61.58 cents, and in the 1977/78 marketing year averaged 52.74 cents, showing an increase of 16 percent each year. The average price of base quality American Pima was 91.92 cents for the 1977/78 marketing year, for 1978/79 it was 99.16 cents, and 91.92 cents for 1979/80; increasing 5 and 8 percent each season respectively.

Another source of pricing for cotton is the futures exchange. Here contracts for future delivery of cotton are traded. In addition to providing indicators of the probable trend of cotton prices, the futures market provides a means for growers, merchants, and mills to protect themselves against price fluctuation through a process called hedging. Basically, hedging is nothing more than the taking of an opposite position in the futures market from that held in the actual physical market. Thus, an individual or company that buys

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or owns actual commodities would sell an equivalent amount of futures. If prices decline, the loss on inventories of the actual commodity are expected to be recouped or offset by a profit in the futures market. Conversely, should the price level rise, the loss on futures is expected to be offset by the increased value of the actual commodities owned. In either event, a loss on one side of the transaction would normally be offset by a profit on the other.

Buyers

Three principal types of buyers--merchant/shippers, cooperative marketing associations (co-ops), and brokers--handle cotton. Of these types, merchant/shippers and co-ops market most of the crop. Merchant/shippers buy cotton from growers, sell it to mills, and usually make arrangements for transporting the cotton from the gin or warehouse to the mill or port. Merchants accumulate cotton from small local markets and assemble large quantities of cotton for mills which have need for cotton of specific quality and length.

Co-ops operate in basically the same manner as merchants but some have their own compresses and warehouses and profits are rebated to the member growers. Because co-ops are grower owned and controlled, they often have sales options available to help maximize earnings and even out price fluctuations.

Brokers, agents, or commission buyers and sellers act as middlemen and usually do not own the cotton with which they deal but receive a commission for their services. These middlemen have two main functions. One is assembling quantities of cotton from small growers and arranging for sale to merchants or mills. The other is acting as an intermediary between merchants and mills. Most international trade in cotton is done through this type of marketing.

Of less importance are ginner-buyers and mill buyers. Ginner-buyers are not very common because ginners generally are unwilling either to take the risks involved with price fluctuations or the inconvenience of hedging on the futures market. More commonly, ginners act as agents for merchants. Direct mill buyers are rare as they would have to deal with a large number of growers to fill the needs of the mills. Also, it is traditional and considered advisable to have an intermediary to insure that contract specifications are fully met.

The U.S. Market

Domestic market profile

The primary consumers of cotton are textile mills, which use the cotton either alone or blended with other fibers to produce yarn which is then woven or knit into fabrics. When ranked by value added by manufacture, the textile mill industry was 14th among all U.S. industries in 1976 (the latest year for

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which data is available), with value added amounting to $15.6 billion, of which approximately 18 percent is attributable to cotton.

The textile mill industry is composed of about 5,000 firms with 6,500 plants employing nearly 900,000 people. This industry is largely concentrated in the Southeastern States, with North Carolina, South Carolina, and Georgia accounting for more than 50 percent of the total value added by manufacture.

The increased use of manmade fibers in textiles has had a significant effect on the demand for cotton. Total mill consumption of all fibers increased 32 percent from 1970 to 1979, but at the same time consumption of cotton declined 20 percent (table 2). Despite wide fluctuations, the cost of manmade fibers has generally been less than cotton as shown in figure 2. The price advantage combined with the ease of care characteristics, gave articles of manmade fiber fabrics wide consumer acceptance. Recently however, rising prices for petroleum have increased prices of those manmade fibers, chiefly polyester, which are petroleum based, making cotton more price competitive.

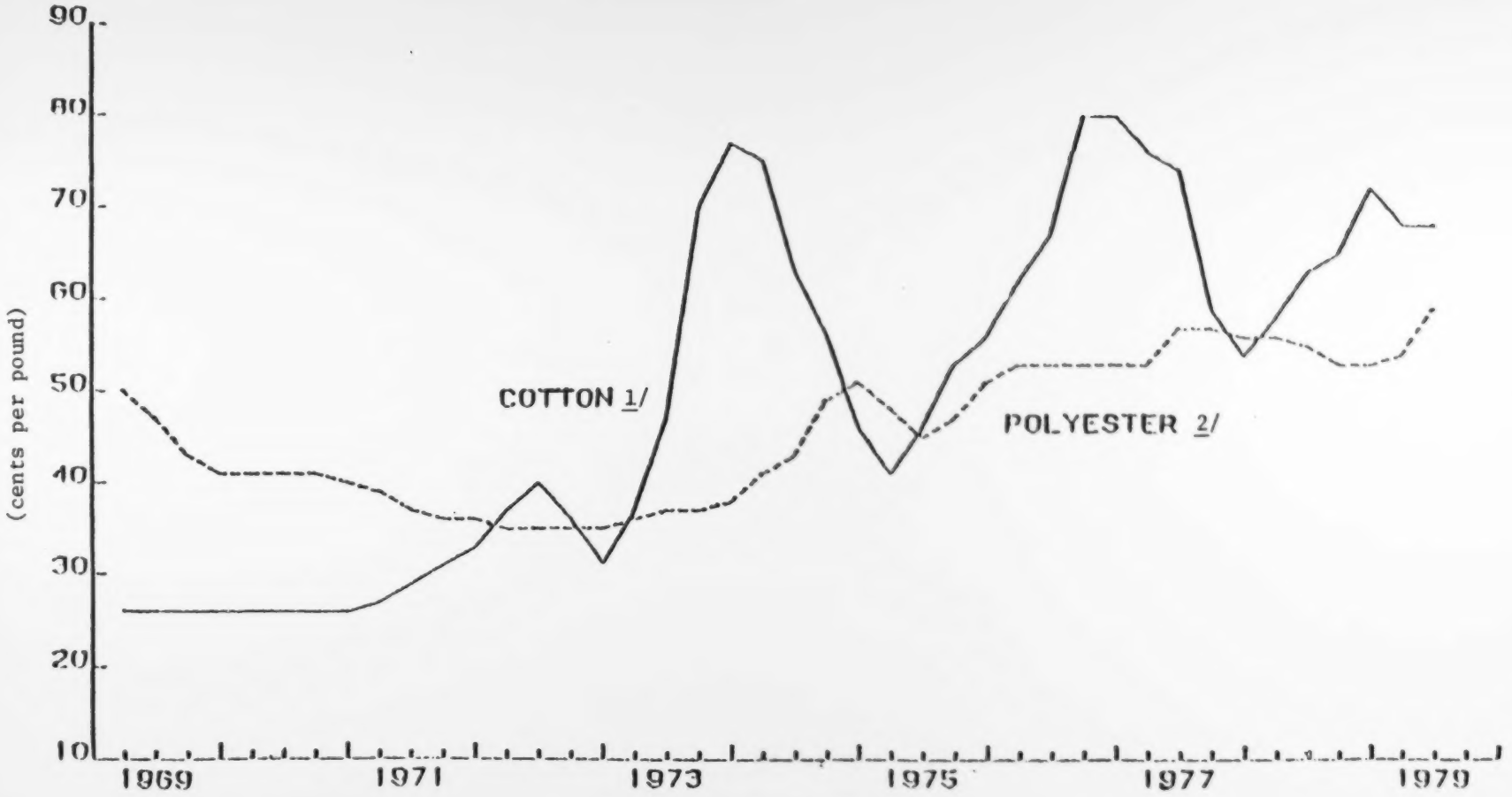
Fashion trends also influence demand for cotton relative to other fibers. The popularity of jeans and other casual pants in recent years has bolstered the demand for cotton as these pants are primarily made of denim or corduroy, fabrics which are either 100 percent cotton or have a high cotton content in blends. The current trend in consumer preference for natural fabrics has also helped stimulate demand for cotton.

The cotton industry is actively promoting use of cotton articles by stressing advantages of its characteristics over other fibers and emphasizing the aesthetic appeal of articles of cotton. To help finance these promotional efforts and research programs to develop new uses for and methods of processing Upland cotton, a fee of $1 a bale is assessed producers in accordance with the Cotton Research Promotion Act of 1966. The funds are handled by the Cotton Board which is composed of cotton producers appointed by the Secretary of Agriculture.

Increased exports of U.S.-made textiles and textile articles of cotton have also stimulated demand for cotton. These exports increased 35 percent in volume from 1975 to 1979, when they totaled the equivalent of about one million bales, accounting for 16 percent of domestic mill consumption of cotton.

Another factor affecting U.S. mill consumption of cotton is the importation of textile articles of cotton, displacing potential domestic production. From 1975 to 1979, these imports averaged the equivalent of 1.4 million bales of cotton. In determining the impact of such imports of cotton textiles on the consumption of U.S. produced cotton, it should be noted that these imports include significant quantities of U.S.-grown cotton.

Figure 2.--Cotton and polyester staple: U.S. mill delivered prices, 1969-1970



1/ Strict low middling 1 1/16".
2/ 1.5 denier X 1.5".

Source: Compiled from the official statistics of the U.S. Department of Agriculture.

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Compliance with Government regulations, particularly the OSHA cotton dust standards and flammability requirements, are likely to have some influence on use of cotton in the near future. Mills not wishing to make the investment needed for production and monitoring equipment and worker education and testing programs mandated by the cotton dust regulations may choose to reduce or eliminate production of goods containing cotton. Research is being conducted to develop methods of treating cotton fabrics to enable them to meet flammability standards for upholstered furniture. Mills are also facing the need to control or purify discharges of waste to meet environmental quality controls.

Competition among domestic producers and between U.S.-grown cotton and the limited quantity of imported cotton is based on price and grade. As most cotton is sold through intermediaries, as described in the section on marketing, the competition is indirect and it is based upon the awareness of middlemen as to what is available.

U.S. consumption

Mill consumption of cotton, as shown in table 2, was fairly stable from 1970 through 1979, ranging between 3,026.7 million pounds in 1975 and 3,985.8 million pounds in 1971 and averaging 3,449.9 million pounds or slightly more than 7 million bales. However, during this period mill consumption of all fibers 1/ rose more than 3 billion pounds to 12.7 billion pounds. The greatest gain was in manmade fibers which rose from 5.5 billion pounds in 1970 to 9.5 billion pounds in 1979.

According to the National Cotton Council, cotton's share of consumption in apparel declined from 44 to 33 percent of all fibers used from 1970 to 1979. In home furnishings, cotton's share of fiber use declined from 34 percent in 1970 to 18 percent in 1979, and for industrial uses from 26 to 18 percent during the same period.

Imported cotton accounted for an insignificant amount of consumption between 1970 and 1979, ranging from 1.3 percent in 1976 to 0.03 percent in 1978 (table 3). A more important item affecting domestic consumption of cotton is imports of textile manufactures. These imports of cotton in the form of textiles increased from the equivalent of 463 million pounds of cotton in 1970 to 845 million pounds in 1978, then declined to 746 million pounds in 1979. This was equal to 24 percent of U.S. cotton consumption. Imports of textile manufactures of manmade fibers also increased during this period from 246 million pounds in 1970 to 643 million pounds in 1978, but declined in 1979 to 524 million pounds. These combined imports were the equivalent of 10 percent of U.S. mill consumption of all textile fibers.

1/ Includes cotton, wool, manmade fibers, flax, and silk.

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U.S. production

Production of cotton in the United States between 1970 and 1979 increased from 10.2 million to 14.6 million 480-pound bales as shown in table 3. As an average for these years, Upland cotton accounted for more than 99 percent of production. The increase in production coincided with an increased demand for exports of U.S.-grown cotton which increased substantially between 1970 and 1979, rising from 3.9 million to 9.0 million bales (table 3).

Since 1929, cotton production has been affected by various Federal agricultural programs including acreage allotments, loans, land diversion and price support payments. In recent years, the potential benefits of these programs, however, have had little effect on cotton production. As farm prices for cotton were above loan rates and target prices, producers were selling most of their crops in the market place. In the ensuing years, although acreage has declined approximately 75 percent, increases in yield per acre have kept production reasonably stable. Production in 1979 of 14.6 million bales was remarkably close to the 14.8 million bales produced 50 years earlier.

In recent years, the most significant trend in cotton production has been the shift in the volume of production toward the West and Southwest. In 1970 these regions accounted for 58 percent of total production and in 1979 for 75 percent, as shown in table 1. Contributing to this shift in production, in addition to increased acreage, is the extremely high yield per acre in the West which at 976 pounds in 1979 was 78 percent above the average yield for the entire United States of 548 pounds.

Prime factors expected to influence U.S. cotton production in the early 1980's are economic conditions both in the United States and in other major cotton textile consuming nations, climactic factors affecting yields, as well as foreign production of cotton for export. Domestic mill demand for cotton is expected to remain at approximately the same level as 1975-79, so the strength of the export market will have a marked effect on demand for U.S.-grown cotton.

U.S. imports

All staple lengths of cotton are imported into the United States; however, since 1967, imports have declined considerably. From 1975/76 to 1978/79, imports of cotton averaged 30,800 bales per crop year (August-July).

As mentioned in the section on customs treatment, most imports of raw cotton are subject to quota restrictions. Imports of short-staple Upland-type cotton have never filled the quota of approximately 30,000 bales. This is partly because some of the country quotas are the equivalent of 20 bales or less and marketing such small quantities is impractical.

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The largest country allocation under the quota for short-staple cotton is for Mexico and amounts to approximately 18,500 bales. From 1974 to 1979, this quota was completely utilized in only 3 quota years. There were no imports charged to this quota in 1 year and it was only 11.6 percent filled in another. India and Pakistan aggregately have the second largest country quota, equal to 4,174 bales. During the 1974/75 to the 1978/79 quota years, the only imports charged to this quota were 123 bales in 1978/79.

The quotas for OLS cotton also have not been filled and imports have been negligible since 1967. Domestic production of OLS cotton increased significantly after 1966 and the resulting lower prices decreased the price advantage of imported cotton.

Imports of ELS cotton in the 1975/76 quota year of more than 55,000 bales was almost 67 percent of the quota. Since then imports have declined steadily and in 1978/79 the quota was only 2.8 percent filled. Consumption of ELS cotton has declined from 90,000 bales in 1975 to 63,000 in 1979.

As shown in table 4, U.S. imports of cotton amounted to 24 million pounds or 50,000 bales in 1975, rose to 46 million pounds (96,000 bales) in 1976, then dropped dramatically and, in 1979, amounted to 3 million pounds (6,000 bales).

On March 31, 1980, the President estalished a special global import quota of approximately 508,400 bales of Upland cotton. The quota was in effect for 90 days and was established in accordance with section 602 of the Food and Agriculture Act of 1977. This states that a quota equivalent to 21 days of mill consumption shall be established when the average spot market price for strict low middling 1-1/16 inch cotton is 130 percent of the average price of this cotton in spot markets for the preceding 36 months. This provision was enacted to cushion the effect of large price increases of domestic cotton. Since U.S. cotton was in abundant supply and favorably priced, imports under this special quota amounted to only 1,047 bales, or 0.2 percent of the quota.

On November 24, 1980, prices of cotton had again risen to a level that another 90-day quota was established under the same provision. The rise in prices at that time was largely due to the relatively poor cotton crop in 1980 caused by the extreme heat and drought during that summer. As of December 31, 1980, imports under this special quota amounted to 235,110 bales or 47 percent of the 500,000 bale quota. It is expected that imports will continue until the quota is filled.

Most cotton is imported into the United States by merchant/shippers who also deal in domestic cotton. The imports are usually for a specific customer who prefers imported cotton over domestic cotton if the prices are similar. The prime advantage of certain types of hand-picked imported cotton is that it is much cleaner than domestic machine-picked cotton. Prime uses of short harsh imported cotton are medical supplies (particularly bandages and sponges), paddings, and batting. Cotton for these purposes is usually grown in India and Pakistan. The bulk of the imported short-staple Upland-type

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cotton is used in coarse and medium yarn fabrics. Imported long-staple cotton is usually used in knits where a smooth yarn is highly desirable. The absence of trash and neps (small matted balls of fibers) in imported cotton as a result of hand picking facilitates production of this yarn. In recent years most OLS cotton has come from Mexico and ELS cotton from Sudan.

The International Market

International market profile

On a worldwide basis, cotton accounted for approximately 50 to 60 percent of the production of cotton, wool, manmade fibers, and silk in the years 1970-79 (table 5). During this period, nearly one-third of world production of cotton was exported. World exports averaged 20 million bales annually; nearly 30 percent of these exports were from the United States. The other leading exporter of cotton is the U.S.S.R. which supplied approximately 20 percent of the total. Other significant cotton-exporting nations include Guatemala, Mexico, Nicaragua, Turkey, Egypt, and Sudan.

The region accounting for most imports of cotton is the Far East which averaged 50 percent of world imports during 1975-79. Japan imported approximately 16 percent of the world total. The People's Republic of China, Taiwan, Hong Kong, and Korea were other leading importers.

Western Europe is also a leading cotton importing region, with France, the Federal Republic of Germany, and Italy as prime destinations. Approximately one-fourth of world cotton imports are for this region. The Eastern European nations import approximately 12 percent of world cotton. Most of this goes to Poland and Czechoslovakia.

Price, availability, and quality are the prime factors of competition in the world cotton market. Many large international cotton merchants deal with cotton shipments among several countries, matching the needs of mills with the source from which the requirements can best be filled with minimum cost for both the cotton and transportation. To facilitate international trade in cotton, the International Cotton Advisory Committee (ICAC) sponsors annual meetings of its member nations and publishes statistics and other information about production, trade, and research regarding cotton.

Demand for U.S.-grown cotton has been high in recent years as it has been competitively priced, in abundant supply, and has been of consistantly high quality. Favorable financing on purchases of U.S.-grown cotton is available through the Export-Import Bank and the United States Department of Agriculture under loan programs established by Public Law 480 which provides for long-term credit and payment in the currency of the importing nation.

U.S. exports

In 1975-79, U.S. exports of cotton averaged 87 percent of domestic mill consumption, or 5.75 million bales. In 1979, exports, valued at $2.2 billion,

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exceeded 9 million bales (4.3 billion pounds) and were nearly 40 percent above domestic mill consumption (tables 3 and 6).

As with domestic production, Upland cotton accounted for nearly 99 percent of export volume. Exports of extra-long staple averaged 27 percent of domestic production of that type of cotton for the period 1975-79. Cotton with a staple length of 1 to 1-1/8 inches accounts for the greatest share of total exports. In 1979, exports of cotton of these lengths were 5.5 million bales, valued at $1.7 billion, or 80 percent of the total (table 7).

U.S. exports of cotton more than doubled from 1975 to 1979 in both quantity and value. Value showed a greater increase as the average price per bale of $314 in 1979 was 23 percent above the 1975 price of $256.

As shown in table 6, for the years 1975-79, the principal export markets for U.S. cotton were Japan, Korea, China, Hong Kong, and Taiwan. Though the total share of exports to these five markets increased only slightly from 64.4 percent in 1975 to 68.6 percent in 1979, there were shifts of distribution within the group. Japan and Korea have been the leading markets with from 40 to 54 percent of the total for the 5 year period, averaging 941 million pounds (2 million bales) annually and exceeding 1.3 billion pounds (2.7 million bales) in 1979. However, Taiwan, the third leading export market in 1975 with 11.6 percent of the total, had only 7 percent of the total in 1979, or approximately 236 million pounds (492,000 bales). Hong Kong's share of the market showed a modest increase over the period, ranging from 1.3 percent in 1975 to 9.2 in 1978, then declining to 6.2 percent in 1979.

The biggest shift in market share has been that of the People's Republic of China, which was 8.2 percent in 1975, dropped to zero in 1976, rose to 1.5 percent in 1977, then increased dramatically in the next 2 years to 16.3 percent in 1979, or 528 million pounds (1.1 million bales).

The American Cotton Shippers Association and the National Cotton Council have programs to promote the use of U.S. cotton abroad. AMCOT is an international marketing association for four U.S. cotton cooperatives. The Supima Association of America, which is funded by growers of extra-long staple cotton, promotes trade of American Pima cotton. These associations and their member growers and merchants conduct trade missions, organize mill tours, and work with foreign cotton exchanges to promote worldwide consumption of U.S.-grown cotton.

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Appendix A

Part 1, Subpart A, of schedule 3 of the Tariff Schedules of the United States Annotated (1980) and part 3 of the Appendix to the Tariff Schedules of the United States Annotated (1980)

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TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1980)

SCHEDULE 3. - TEXTILE FIBERS AND TEXTILE PRODUCTS
Part 1. - Textile Fibers and Wastes; Yarns and Threads

CSP	Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty 1	Rates of Duty LDDC	Rates of Duty 2
			Cotton, not carded, not combed, and not similarly processed: 1/				
	300.10		having a staple length under 1-1/8 inches	.....	Free		Free
		20	Harsh or rough, under 3/4 inch	Lb.			
		40	Other, under 1-1/8 inches	Lb.			
	300.15		Having a staple length 1-1/8 or more but under 1-11/16 inches	.....	3.5¢ per lb.		7¢ per lb.
		20	Harsh or rough, 1-5/32 or over, but under 1-3/8 inches and white in color (except cotton of perished staple, grabbots, and cotton pickings)	Lb.			
			Other:				
		40	Staple 1-1/8 or over but under 1-3/8 inches	Lb.			
		60	Staple 1-3/8 or over but under 1-11/16 inches	Lb.			
	300.20	00	Having a staple length 1-11/16 inches or more	Lb.	1.75¢ per lb.		7¢ per lb.
	300.30	00	Cotton linters, whether or not bleached or purified	Lb.	Free		Free
			Waste and advanced waste, of cotton, and fibers of cotton processed but not spun: 1/				
	300.40		Waste, not advanced	.....	Free		Free
			Soft waste:				
			Card strips, including flat, cylinder, and vacuum strips:				
		10	Made from cotton having a staple length under 1-3/16 inches	Lb.			
		15	Other	Lb.			
			Comber waste:				
		25	Made of cotton having a staple length under 1-3/16 inches	Lb.			
		30	Other	Lb.			
		35	Lap waste, sliver waste, and roving waste	Lb.			
		60	Other	Lb.			
		70	Hard waste (yarn and thread waste)	Lb.			
			Other:				
	300.45	00	Having a staple length under 1-1/8 inches	Lb.	5% ad val.		5% ad val.
	300.50	00	Having a staple length 1-1/8 inches or more	Lb.	3¢ per lb. + 5% ad val.		10¢ per lb. + 5% ad val.
			Yarns of cotton:				
	300.60		In chief value, but not wholly, of cotton	.....	14.5% ad val.		40% ad val.
			Not combed:				
			Singles:				
		20	Not bleached and not colored...(300)	Lb.			
		22	Bleached or colored.....(300)	Lb.			
		24	Plied.....(300)	Lb.			
			Combed:				
		26	Singles.....(301)	Lb.			
		28	Plied.....(301)	Lb.			

1/ Certain cotton, cotton waste, and fibers of cotton processed but not spun are subject to additional import restrictions. See items 935.01-.06 in part 3, Appendix to Tariff Schedules.

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Item	Stat. Suffix	Articles	Units of Quantity	Quota Quantity (in pounds)
		Whenever, in the respective 12-month period specified below, the aggregate quantity specified below for one of the numbered classes of articles or for the product of a specified country or area within such numbered class has been entered, no article in such class or the product of such country or area may be entered during the remainder of such period:		
		Cotton, not carded, not combed, and not otherwise processed, the product of any country or area including the United States:		
955.01	1/	Having a staple length under 1-1/8 inches (except harsh or rough cotton having a staple length under 3/4 inch), entered during the 12-month period beginning September 20 in any year:		
		Egypt and Sudan (aggregate)	1/	783,816
		Peru	1/	247,952
		India and Pakistan (aggregate)	1/	2,003,483
		China	1/	1,370,791
		Mexico	1/	8,883,259
		Brazil	1/	618,723
		Union of Soviet Socialist Republics	1/	475,124
		Argentina	1/	5,203
		Haiti	1/	237
		Ecuador	1/	9,333
		Honduras	1/	752
		Paraguay	1/	871
		Colombia	1/	124
		Iraq	1/	195
		British East Africa	1/	2,240
		Indonesia and Netherlands New Guinea (aggregate)	1/	72,388
		British West Indies (except Barbados, Bermuda, Jamaica, Trinidad, Tobago)	1/	22,321
		Nigeria	1/	5,377
		British West Africa (except Nigeria and Ghana)	1/	16,004
		Other, including the United States	1/	None
		Having a staple length 1-1/8 inches or more but under 1-3/8 inches, entered during the 12-month period beginning August 1 in any year:		
955.02	1/	Harsh or rough cotton (except cotton of perished staple, grabbots, and cotton pickings), white in color and having a staple length of 1-3/32 inches or more	1/	1,300,000
955.03	1/	Other	1/	4,565,042
955.04	1/	Having a staple length 1-3/8 inches or more, entered during the 12-month period beginning August 1 in any year	1/	38,390,778

1/ See Appendix statistical headnote 2.

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Appendix B

Concordance of TSUS Numbers, Schedule B Numbers, SIC Numbers, SITC Numbers, and CCCN Numbers

Raw cotton: TSUS item numbers, Schedule B numbers, SIC number, SITC number, and CCCN (BTN) number included in this commodity group

TSUS item No.	Schedule B No.	SIC No.	SITC No.	CCCN (BTN) No.
300.10	300.1030	0131	263.1	55.01
300.15	300.1060			
300.20	300.1530			
	300.1550			

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Appendix C

Statistical Tables

Table 1.--Cotton: Acreage, planted and harvested, production, and yield per acre on harvested acreage, by regions, 1970-79

Crop year beginning August 1	West[1]		Southwest[2]		Delta[3]		Southeast[4]		Total
	1,000 acres	Percent of total	1,000 acres	Percent of total	1,000 acres	Percent of total	1,000 acres	Percent of total	1,000 acres
	Planted acreage[5]								
1970	1,098	9.2	5,777	48.4	3,560	29.8	1,510	12.6	11,945
1971	1,206	9.8	5,711	46.2	3,842	31.1	1,596	12.9	12,355
1972	1,346	9.6	6,158	44.0	4,807	34.3	1,689	12.1	14,001
1973	1,412	11.3	5,979	47.9	3,647	29.2	1,442	11.6	12,480
1974	1,844	13.5	5,804	42.4	4,546	33.2	1,485	10.9	13,679
1975	1,309	13.8	4,735	49.9	2,716	28.6	733	7.7	9,493
1976	1,577	13.5	5,159	44.3	3,952	33.9	968	8.3	11,656
1977	2,101	15.3	7,208	52.6	3,471	25.4	914	6.7	13,694
1978	2,207	16.5	7,584	56.8	2,965	22.2	604	4.5	13,360
1979[9]	2,445	17.5	8,331	59.7	2,537	18.2	635	4.6	13,948
	Harvested acreage								
1970	1,079	9.7	5,346	47.9	3,355	30.1	1,375	12.3	11,155
1971	1,180	10.3	5,132	44.7	3,708	32.3	1,451	12.7	11,471
1972	1,328	10.2	5,544	42.7	4,578	35.3	1,534	11.8	12,984
1973	1,399	11.7	5,757	48.1	3,448	28.8	1,366	11.4	11,970
1974	1,821	14.5	4,980	39.7	4,320	34.4	1,426	11.4	12,547
1975	1,271	14.5	4,219	48.0	2,616	29.7	690	7.8	8,796
1976	1,562	14.3	4,843	44.4	3,611	33.1	896	8.2	10,914
1977	2,086	15.7	6,992	52.6	3,388	25.6	808	6.1	13,275
1978	2,151	17.4	6,813	55.1	2,832	22.9	574	4.6	12,370
1979[9]	2,395	18.7	7,411	57.8	2,392	18.7	618	4.8	12,816
	Production								
	1,000 bales[6]	Percent of total	1,000 bales[6]	Percent of total	1,000 bales[6]	Percent of total	1,000 bales[6]	Percent of total	1,000 bales[6]
1970	1,796	17.6	3,402	33.4	3,819	37.5	1,175	11.5	10,192
1971	1,780	17.0	2,791	26.6	4,468	42.7	1,438	13.7	10,477
1972	2,593	18.9	4,609	33.6	5,139	37.5	1,363	10.0	13,704
1973	2,550	19.7	5,126	39.5	3,990	30.7	1,308	10.1	12,974
1974	3,806	33.0	2,796	24.2	3,576	31.0	1,362	11.8	11,540
1975	2,640	31.8	2,563	30.9	2,491	30.0	607	7.3	8,302
1976	3,444	32.6	3,489	32.9	2,874	27.2	773	7.3	10,851
1977	4,100	28.5	5,936	41.2	3,827	26.6	527	3.7	14,389
1978	3,177	29.3	4,174	38.4	2,939	27.1	566	5.2	10,856
1979[9]	4,868	33.3	6,061	41.4	3,061	20.9	639	4.4	14,629
	Yield per acre on harvested acreage								
	West[1]		Southwest[2]		Delta[3]		Southeast[4]		United States
	Pounds[7]	Pounds[8]	Pounds[7]	Pounds[8]	Pounds[7]	Pounds[8]	Pounds[7]	Pounds[8]	Pounds[7]	Pounds[8]
1970	798	875	306	332	546	552	410	403	438	464
1971	724	841	261	337	578	549	476	427	438	467
1972	937	867	399	333	539	523	427	446	507	469
1973	875	907	427	330	555	505	459	447	520	472
1974	1,003	974	270	347	397	466	459	435	442	477
1975	997	975	292	348	457	466	422	412	453	480
1976	1,059	942	346	322	382	455	413	416	465	460
1977	943	937	407	346	541	499	313	424	520	481
1978	709		294		498		473		421	
1979[9]	976		393		614		497		548	

[1] California, Arizona, New Mexico, and Nevada. [2] Texas and Oklahoma. [3] Missouri, Arkansas, Tennessee, Mississippi, Louisiana, Illinois, and Kentucky. [4] Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama. [5] Not adjusted for final acreage compliance with allotments. [6] 480-pound net weight bales. [7] Actual yield per acre. [8] Yield trend the 5-year centered average. [9] Crop Reporting Board report, May 9, 1980

Source: U.S. Department of Agriculture, Economics, Statistics, and Cooperatives Service, Cotton and Wool Situation, May 1980.

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Table 2.--Cotton, wool, manmade fibers, flax, and silk: U.S. mill consumption, by fiber 1970-79

(In millions of pounds)

Period	Total mill consumption	Cotton	Man-made fibers	Wool	Other
1970	9,602.9	3,853.8	5,500.9	240.3	7.9
1971	10,713.7	3,985.8	6,529.2	191.5	7.2
1972	11,656.6	3,864.0	7,565.7	218.6	8.3
1973	12,483.7	3,657.6	8,664.2	151.3	10.6
1974	11,109.8	3,309.0	7,698.0	93.5	9.3
1975	10,556.8	3,026.7	7,416.6	110.0	3.5
1976	11,594.5	3,413.9	8,052.5	121.7	6.4
1977	12,169.5	3,169.9	8,887.5	108.0	4.1
1978	12,389.4	3,040.6	9,227.7	115.3	5.8
1979	12,659.5	3,077.2	9,462.0	111.0	9.5

Source: Compiled by the U.S. Department of Agriculture; Economics, Statistics, and Cooperatives Service.

Note.--Totals may not add due to rounding.

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Table 3.--Cotton: Supply and disappearance, by types, United States, 1970-79

Year beginning August 1	Supply				Disappearance			Difference unaccounted[5]	Ending stocks July 31
	Beginning stocks August 1[1]	Production[2]	Imports	Total[3]	Mill consumption[4]	Exports	Total[3]		
	1,000 480-pound net weight bales[6]								
	All kinds								
1970	5,843	10,192	37	16,072	8,204	3,897	12,101	232	4,203
1971	4,203	10,477	72	14,752	8,259	3,385	11,644	150	3,258
1972	3,258	13,704	34	16,996	7,769	5,311	[7]13,080	305	4,221
1973	4,221	12,974	48	17,243	7,472	6,123	13,595	160	3,808
1974	3,806	11,540	34	15,382	5,860	3,926	9,786	112	5,708
1975	5,708	8,302	92	14,102	7,250	3,311	10,561	140	3,681
1976	3,681	10,581	38	14,300	6,674	4,784	11,458	86	2,928
1977	2,928	14,389	5	17,322	6,483	5,484	11,967	-8	5,347
1978	5,347	10,856	4	16,207	6,352	6,180	12,532	283	3,958
1979[8]	3,958	14,630	15	18,603	6,463	9,000	15,463	99	3,239
	Upland								
1970	5,727	10,135	11	15,873	8,105	3,885	11,990	251	4,134
1971	4,134	10,379	42	14,555	8,163	3,376	11,539	166	3,182
1972	3,182	13,608	22	16,812	7,670	5,306	[7]12,976	317	4,153
1973	4,153	12,896	26	17,075	7,384	6,111	13,495	173	3,753
1974	3,753	11,450	24	15,227	5,797	3,914	9,711	133	5,649
1975	5,649	8,247	36	13,932	7,160	3,300	10,460	143	3,615
1976	3,615	10,517	19	14,151	6,595	4,779	11,374	102	2,879
1977	2,879	14,277	1	17,157	6,416	5,459	11,875	-4	5,278
1978	5,278	10,762	2	16,042	6,286	6,150	12,436	299	3,905
1979[8]	3,905	14,531	10	18,446	6,400	8,955	15,355	109	3,200
	Extra-long staple[9]								
1970	116	57	26	199	99	12	111	-19	69
1971	69	98	30	197	96	9	105	-16	76
1972	76	96	11	183	99	5	104	-11	68
1973	68	78	21	167	89	12	100	-12	55
1974	55	90	10	155	63	12	75	-21	59
1975	59	55	56	170	90	11	101	-3	66
1976	66	64	19	149	79	5	84	-16	49
1977	49	112	4	165	67	25	92	-4	69
1978	69	93	2	164	66	30	96	-15	53
1979[8]	53	99	5	157	63	45	108	-10	39

[1] Compiled from Bureau of the Census data and adjusted to an August 1 480-pound net weight basis. Excludes preseason ginnings. [2] Includes preseason ginnings. [3] Totals made from unrounded data. [4] Adjusted to August 1-July 31 marketing year. [5] Difference between ending stocks based on Census data and preceding season's supply less disappearance. For upland cotton, this difference primarily reflects an increase of an estimated 1 percent in average bale weights due to moisture absorption once cotton is ginned and begins to flow through marketing channels. Additional moisture is absorbed by cotton moving in export channels. For ELS cotton, this difference reflects, in part, reporting discrepencies for stocks, mill consumption, and exports. [6] Factors used to convert running bales to equivalent 480-pound net weight bales for carryover and consumption of domestic cotton are based on the relationship between 480 pounds and the gin weight of a running bale, raised by 1 percent (moisture factor). [7] Includes small amount destroyed. [8] Preliminary and estimated. [9] Includes American Pima, Sea Island, and foreign grown ELS cotton.

Source: U.S. Department of Agriculture, Economics, Statistics, and Cooperatives Service, Cotton and Wool Situation, May 1980.

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Table 4.--Cotton: U.S. imports for consumption, by principal sources, 1975-79

Source	1975	1976	1977	1978	1979
	Quantity (1,000 pounds)				
Sudan	1,429	20,703	1,189	0	858
Mexico	16,701	9,011	40	243	1,083
Egypt	473	1,984	1,687	785	252
India	1,576	6,231	0	0	614
Pakistn	1,050	196	39	191	112
Peru	248	7,829	689	110	21
Antigua	0	1	0	0	1/
Hg Kong	0	0	0	5	0
All other	2,600	212	656	1	0
Total	24,076	46,167	4,301	1,335	2,941
	Value (1,000 dollars)				
Sudan	1,425	13,511	1,217	-	833
Mexico	9,627	5,841	16	164	534
Egypt	533	1,933	2,271	803	334
India	537	1,843	-	-	282
Pakistn	317	79	35	146	67
Peru	124	6,913	812	72	29
Antigua	-	1	-	-	1
Hg Kong	-	-	-	3	-
All other	1,502	232	726	1	-
Total	14,065	30,353	5,078	1,187	2,081
	Unit value (per pound)				
Sudan	$1.00	$0.65	$1.02	-	$0.97
Mexico	0.58	0.65	0.40	0.67	0.49
Egypt	1.13	0.97	1.35	1.02	1.33
India	0.34	0.30	-	-	0.46
Pakistn	0.30	0.40	0.90	0.76	0.60
Peru	0.50	0.88	1.18	0.65	1.40
Antigua	-	1.40	-	-	2.50
Hg Kong	-	-	-	0.58	-
All other	0.58	1.09	1.11	0.60	-
Average	0.58	0.66	1.18	0.89	0.71

Source: Compiled from official statistics of the U.S. Department of Commerce.

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Table 5.-- World production of certain textile fibers, 1970-79.
(In million pounds and percent)

TYPE OF FIBER	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
RAYON+ACETATE FIBERS										
YARN-MONOFILAMENTS	3,067	3,085	2,954	3,003	2,871	2,503	2,619	2,584	2,572	2,593
STAPLE-TOW	4,497	4,505	4,884	5,066	4,916	4,020	4,457	4,649	4,742	4,859
TOTAL RAYON+ACETATE	7,564	7,590	7,838	8,069	7,787	6,523	7,076	7,233	7,314	7,452
NON-CELLULOSIC FIBERS										
YARN-MONOFILAMENTS	5,209	6,306	7,076	8,450	8,334	8,296	9,191	9,508	10,147	10,817
STAPLE-TOW	5,154	6,046	6,967	8,392	8,161	7,914	9,562	10,663	11,973	12,582
TOTAL NON-CELL. ABOVE	10,363	12,352	14,043	16,842	16,505	16,210	18,963	20,171	22,120	23,399
TOTAL MAN-MADE ABOVE	17,927	19,942	21,881	24,911	24,292	22,733	26,039	27,404	29,434	30,851
% of World Total	38	38	40	43	41	44	46	45	48	47
NATURAL FIBERS										
RAW COTTON	25,763	28,369	29,480	30,243	30,944	25,924	27,494	30,655	28,755	31,455
RAW WOOL	3,532	3,452	3,208	3,157	3,333	3,391	3,245	3,250	3,329	3,424
RAW SILK	90	93	93	95	99	104	106	107	113	116
TOTAL NATURAL ABOVE	29,385	31,911	32,781	33,495	34,376	29,419	30,845	34,012	32,197	34,995
% of World Total	62	62	60	57	59	56	54	55	52	53
WORLD TOTAL ABOVE	47,312	51,853	54,662	58,406	58,668	52,152	56,884	61,416	61,631	65,846
% of World Total	100	100	100	100	100	100	100	100	100	100

Source: Textile Economics Bureau, Inc., Textile Organon, July, 1976 and June 1980.

Note.--The silk and man-made fiber data are on a calendar-year basis, while the figures for cotton and wool are on a seasonal basis.

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Table 6.--Cotton: U.S. exports of domestic merchandise, by principal markets, 1975-79

Market	1975	1976	1977	1978	1979
	Quantity (1,000 bales)				
Japan	713	690	692	1,235	1,420
Kor Rep	765	747	853	1,368	1,320
China P	279	0	57	574	1,144
Taiwan	396	113	201	551	492
Hg Kong	45	77	326	572	438
Thailnd	57	46	103	200	260
Indnsia	215	149	183	253	241
Canada	140	135	186	228	245
All other	805	747	1,088	1,212	1,449
Total	3,415	2,703	3,689	6,193	7,009
	Value (1,000 dollars)				
Japan	182,055	211,139	227,477	348,445	449,687
Kor Rep	211,438	221,020	276,750	377,876	397,798
China P	79,658	-	17,519	157,305	357,042
Taiwan	89,290	29,142	60,845	141,400	135,552
Hg Kong	8,760	20,789	99,491	152,312	129,493
Thailnd	14,470	14,436	33,244	57,987	83,007
Indnsia	53,064	45,809	61,710	74,921	81,227
Canada	30,164	42,682	59,534	65,233	80,446
All other	206,091	237,522	388,395	364,160	484,172
Total	874,990	822,539	1,224,966	1,739,639	2,198,425
	Unit value (per bale)				
Japan	$255.46	$306.04	$328.53	$282.25	$316.73
Kor Rep	276.40	295.91	324.59	276.19	301.33
China P	285.68	-	307.41	273.89	311.99
Taiwan	225.59	258.73	303.09	256.67	275.24
Hg Kong	193.23	271.62	305.14	266.30	295.80
Thailnd	254.95	315.50	324.08	290.61	319.82
Indnsia	246.60	308.22	336.57	296.29	336.52
Canada	215.03	316.09	320.41	285.57	328.72
All other	256.11	317.90	356.83	300.42	334.20
Average	256.26	304.35	332.06	280.91	313.66

Source: Compiled from official statistics of the U.S. Department of Commerce.

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Table 7.--Cotton, having a staple length 1 inch or over but under 1 1/8 inch: U. S. exports of domestic merchandise, by principal markets, 1975-79

Market	1975	1976	1977	1978	1979
	Quantity (1,000 bales)				
Japan	707	686	685	869	1,145
Kor Rep	692	694	777	1,082	1,043
China P	224	0	48	515	964
Hg Kong	44	74	320	458	382
Taiwan	355	101	189	282	265
Indnsia	198	140	171	215	206
Thailnd	55	44	100	143	191
Canada	90	85	140	154	183
All other	654	607	804	814	1,120
Total	3,019	2,432	3,234	4,533	5,499
	Value (1,000 dollars)				
Japan	180,804	209,656	225,303	253,833	370,446
Kor Rep	188,496	205,168	250,263	300,943	310,984
China P	62,598	-	14,502	140,396	294,399
Hg Kong	8,353	20,010	97,459	122,710	112,228
Taiwan	77,594	26,206	57,025	75,989	77,327
Indnsia	48,291	42,691	57,071	63,132	67,893
Thailnd	14,124	14,040	32,358	42,500	62,630
Canada	19,078	26,799	43,953	44,458	59,769
All other	165,150	192,037	286,084	239,005	364,323
Total	764,486	736,607	1,064,018	1,282,967	1,719,997
	Unit value (per bale)				
Japan	$255.63	$305.79	$328.68	$291.98	$323.46
Kor Rep	272.57	295.52	322.22	278.08	298.13
China P	279.31	-	301.94	272.53	305.45
Hg Kong	190.23	269.89	304.74	267.66	293.97
Taiwan	218.37	258.42	301.40	269.63	292.02
Indnsia	244.27	305.68	333.88	294.31	329.38
Thailnd	255.76	316.27	323.94	296.92	327.86
Canada	212.13	313.76	314.37	287.79	327.30
All other	252.54	316.29	355.87	293.68	325.19
Average	253.22	302.88	329.04	283.03	312.79

Source: Compiled from official statistics of the U.S. Department of Commerce.

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SUMMARIES OF TRADE AND TARIFF INFORMATION

USITC PUBLICATION 841

COMPLETE LIST OF SUMMARIES PUBLISHED TO DATE IN SCHEDULE 3

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